USDA

Year 2000

Quarterly Progress Report

For May 1999

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Status of Department of Agriculture Year 2000 Efforts: Quarterly Progress Report for May 1999

I.   <u>**Overall Progress.**</u>
Provide a report of the status of agency efforts to address the Year 2000 problem, which includes an agency-wide status of the total number of mission-critical systems.

Total Number of Mission-Critical Systems	Number Compliant	Number To Be Replaced	Number To Be Repaired	Number To Be Retired
February Report 353	267 76%	35 10%	44 12%	7 2%
May Report 349	334 95.7%	5 1.4%	5 1.4%	5 1.4%

In the February 1999 quarterly report to OMB, USDA tracked a total of 353 mission-critical systems and reported 76 percent compliant. We are now tracking 349 systems, of which 95.7 percent are compliant. Attachment 1 cross-walks the changes to the baseline from the February report.

We have designated 52 of the 349 mission-critical systems as Departmental Priority systems having major impact regarding people's health, safety and finances, or having significant economic impact.

II.   <u>**Progress of Systems Under Repair.**</u>
Provide a report of the status of agency efforts to address the Year 2000 problem, which includes the status of systems under repair.

a. **In the first row, indicate the dates your agency has set for completing each phase. In each report, restate these dates and indicate the status of systems under repair.**

The attached chart provides a snapshot of USDA status in the four-step process of repairing systems.

	Total Number of Mission-Critical Systems	Assessment Phase	Renovation Phase	Validation Phase	Implementation Phase
Milestones		10/1997	09/1998	01/1999	03/1999
Current Number	266	266	264	264	261

Complete		100%	99%	99%	98%

b. Provide a description of progress in fixing or replacing mission-critical systems. Please ensure that your report on the completion of phases is consistent with the CIO Council's best practices guide and GAO's assessment guide, <u>Year 2000 Computing Crisis: An Assessment Guide.</u>

Of the 266 mission-critical systems being repaired, 264 (99%) are now renovated, validated and compliant. There are 2 mission-critical systems scheduled for repair that have not completed the entire repair process. We expect that all will be implemented by July 31, 1999.

There are 4 systems remaining to be replaced and 5 systems remaining to be retired. We expect that all will be replaced or retired by October 31, 1999.

Once a system has completed the repair or replacement process, the Agency Executive Sponsor certifies the system as being Year 2000 compliant. The certifications for compliant systems have been received by the Office of the Chief Information Officer.

c. Provide a description of progress in fixing non-mission-critical systems, including measures which demonstrate that progress.

The following table breaks down the status of non-mission-critical systems:

Total Number of Non-Mission-Critical Systems	Number Compliant	Number to be Replaced	Number to be Repaired	Number to be Retired
381	278	23	61	18
	73%	6%	16%	5%

The following table breaks down the status of non-mission-critical systems under repair:

Number of Systems Being Repaired	Assessment Completed	Renovation Completed	Validation Completed	Implementation Completed
83	83	31	28	22
	100%	37%	34%	27%

USDA is tracking its non-mission-critical systems in the same manner as it does mission-critical systems. Agencies are reporting their progress on a monthly basis.

d. **Provide a description of the status of efforts to inventory all data exchanges with outside entities and the method for assuring that those organizations will be or have been contacted, particularly State governments. Provide a description of progress on making data exchanges compliant.**

USDA is giving particular attention to those data exchanges associated with its high impact programs: Food and Nutrition Programs, Food Safety Inspection Programs, Rural/Farm Loan Assistance Programs, Animal and Plant Health Programs, Fire and Aviation Management and the Federal Employee Payroll and Thrift Savings Plan.

USDA is not just looking at the data exchanges that are directly related to the systems for program delivery, but also the partners involved in end-to-end delivery of services to the public. USDA receives monthly reports from the program areas providing updates on activities and schedules of events that will assist in acquiring Year 2000 compliance.

USDA is tracking 473 data exchanges files representing 1,480 exchange partners. USDA has contacted all exchange partners and agreed date formats have been established. The table below provides a status of USDA efforts:

	Federal	State	Local Government	Private Sector	Foreign	Foreign Private	Total
# of Exchanges	335	14	4	113	6	1	473
# Partners	724	457	56	236	6	1	1480
# of Contacts Made (% Contacted)	724 100%	457 100%	56 100%	236 100%	6 100%	1 100%	1480 100%
# of Agreements (% Agreements)	720 99%	416 91%	56 100%	224 95%	3 50%	1 100%	1420 96%
# Partners Complaint (% Compliant)	720 99%	373 82%	56 100%	234 99%	3 50%	1 100%	1387 94%

As previously reported, USDA is a member of the State Issues and Data Exchange Working Group of the CIO Council's Year 2000 Sub-Committee. USDA has inventoried its data exchanges and has identified exchanges with federal, state, local government, private sector, and foreign federal and private partners. Departmental agencies are actively engaged in dialog with their partners to ensure compliance.

e. **Provide a description of efforts to address the Year 2000 problem in other areas, including biomedical and laboratory equipment and any other products or devices using embedded chips.**

The OCIO Year 2000 Program Office continues to work closely with Departmental Administration to review the progress of USDA agencies with scientific and laboratory equipment. A contract was awarded on March 24, 1999, to assess Year 2000 compliance of vulnerable systems. The contract is divided into two phases: Phase 1 is the assessment of Year 2000 compliance of Vulnerable systems. Surveys

and interviews of key agencies will result in an Assessment Approach as the deliverable. Phase 2 is the implementation of the Approach.

The contractor has established a USDA website containing vulnerable system information. The site is linked to the USDA Y2K Web site to make it more accessible. To date, all agencies have completed surveys and the six agencies responsible for most of the vulnerable systems in USDA are being interviewed by the contractor to further define needs and identify gaps.

In response to the recent OIG audit of vulnerable systems, APHIS, ARS and FSIS have made considerable progress in this area. For example, APHIS has a contractor assisting with an IV&V of five mission-critical laboratories. ARS and FSIS are working closely with the Department's contractor to verify Y2K compliance of vulnerable systems and to begin testing.

f. **Provide a description of efforts to address the Year 2000 problem for buildings which your agency owns or manages. If your buildings are owned or managed by GSA, you should only report on those systems for which you have direct responsibility. You do not need to report on systems which are the responsibility of GSA.   Please indicate if you are a member of the Building Systems Working Group of the Year 2000 Subcommittee of the CIO Council.**

The Office of the Chief Information Officer is working with Departmental Administration (DA), supported by a contractor, to address Y2K issues with buildings owned and managed by USDA. This task will be accomplished using the contract for vulnerable systems, such as scientific and laboratory equipment, as described in the previous section. OCIO, DA and the contractor are assessing the status of USDA agencies responsible for managing buildings. By the end of May, the contractor will identify an approach to ensure Y2K compliance and testing of building systems.

USDA continues to be an active member of the Building Systems Working Group of the Year 2000 Subcommittee of the CIO Council.

g. **Provide a description of efforts to address the Year 2000 problem in the telecommunications systems which your agency owns or manages. If your systems are owned or managed by GSA, you do not have to report on those systems. Please indicate instead whether or not you are a member of the Telecommunications Working Group of the Year 2000 Subcommittee of the CIO Council.**

USDA uses a multi-faceted telecommunications Year 2000 compatibility approach designed to identify and correct deficiencies in equipment and systems. Some of the specific activities are listed below:

− <u>Federal Telecommunications Working Groups.</u> USDA continues to be an active

participant in several Year 2000 telecommunications forums, including the CIO Council Sub-Committee Working Group on Telecommunications and the Telecommunications Working Group of the President's Council on Year 2000 Conversion. USDA management is working closely with other executive branch departments and the vendor community to define the scope and develop the solutions for Year 2000 compliance.

− USDA Telecommunications Working Group. The Year 2000 Telecommunications Working Group continues to meet monthly to provide Year 2000 telecommunications information to the agencies. This working group is the forum by which any Year 2000 telecommunications information, including best practices and lessons learned, are disseminated. Special emphasis is placed on testing, independent verification and validation, and contingency planning.

− USDA Telecommunications Inventory. A department-wide telecommunications inventory has been completed. The user interface is now web-enable to facilitate easier access and data maintenance.

− Telecommunications IV&V.

1. The Office of the Chief Information Officer initiated an IV&V effort on all the equipment in the USDA centralized equipment database. OCIO has a Telecommunications IV&V contract with the Joint Interoperability Test Command, Defense Information Systems Agency. This IV&V activity is verifying the Year 2000 compliance statements in the USDA database, classifying equipment into risk categories, and recommending further actions, if necessary.
2. The Forest Service completed a major IV&V to examine its telecommunications equipment inventory and validate the Year 2000 status of each piece of equipment in the inventory.
3. The Service Center LAN/WAN/Voice (LWV) project team successfully concluded the IV&V testing process for the telecommunications equipment being installed at approximately 2,600 field locations. Test information, including configurations, scripts, equipment, and results, were made available to the agencies through the USDA Telecommunications Working Group.

h. Provide a description of the status of the Year 2000 readiness of each government-wide system operated by your agency.

As reported in December 1998, The National Finance Center (NFC) completed remediation of the systems which process payroll for approximately 435,000 federal employees (roughly 20 percent of the Federal civilian workforce), and which service more than 2.3 million Federal employees with the Thrift Savings Plan. Systems have been successfully tested for Year 2000 compliance using a test platform "Time Machine" which provides Year 2000 simulation. Because of its importance as a high-

impact program, OCIO will manage an independent verification and validation effort of this system as additional safeguard to ensure uninterrupted service delivery.

NFC has also completed the implementation of the mission-critical systems which provide government-wide services: administrative payments, billings and collections, accounting and property

i. **Please include any additional information which demonstrates your agency's progress. This could include charts or graphs indicating actual progress against your agency's schedule, lists of mission-critical systems with schedules, success stories, or other presentations.**

The following activities have occurred since our February 1999 Quarterly Report:

-   Industry Roundtable Discussions. USDA is working with the President's Council to plan a "food industry roundtable" on May 20, 1999. The roundtable will be designed to bring together key members of the food industry - who represent different sectors of the farm-to-table food supply chain - to further deepen our understanding of the food industry's preparedness, as well as develop an overall message to the public about Y2K and the food supply.

-   Small Business Outreach. On April 1, 1999, USDA conducted a nationwide satellite broadcast in conjunction with Small Business Y2K Action Week. The interactive video-conference, which was viewed at 153 sites in 40 states, was designed to increase awareness among small business owners and local governments concerning the threat Y2K poses to their operations, provide technical assistance, and inform them of resources available at USDA and other agencies to help them with solutions. The Cooperative State Research Education and Extension Service is planning to rebroadcast the conference, and several of our field locations have requested tapes for future viewing.

-   Technical Assistance. USDA is very active in providing direct technical assistance to small business owners. Through the Cooperative State Research Education and Extension Service (CSREES), we have entered into a partnership with the Small Business Administration and the Manufacturing Extension Partnership to provide technical assistance to small businesses. CSREES is providing assistance through a series of Y2K workshops, as well as "jumpstart" kits, which includes a CD-ROM and other tools, to help business owners inventory and assess systems which may be vulnerable to Year 2000 problems.

-   Hazard Analysis and Critical Control Point (HACCP). Year 2000 material was distributed to several Food Safety and Inspection Service's (FSIS) HACCP small plant workshops. The materials described potential Year 2000 problems that could occur in plants and adversely affect HACCP implementation and compliance.

- USA/Canada Partnership. FSIS and representatives from the Canadian Food Inspection Agency and Agriculture and Agri-Food Canada met on March 10, 1999 to share information about Y2K business continuity and contingency planning and other Y2K activities.

- Rural Housing Service (RHS) Brochure. RHS published a Year 2000 brochure which was sent to approximately 2000 Community Facility borrowers and 15,000 Multi-Family Housing borrowers during April 1999. This brochure outlined the steps borrowers should take to ensure their systems are Year 2000 compliant.

- Rural Housing Service (RHS) Survey. RHS surveyed its telecommunications and electric borrowers to ascertain their level of Year 2000 preparedness. RUS General Field Representatives are now contacting those borrowers whose survey responses did not indicate their Year 2000 compliance plans. They are also contacting borrowers who did not respond to the survey.

- GIPSA Work with Trade Groups. GIPSA is continuing to work with key trade groups to assess the readiness of the nation's food supply. In the past two months, GIPSA officials have been in contact with these groups and spoke at a number of conferences about Y2K readiness.

- Vulnerable Systems Assessment. The OCIO Year 2000 Program Office continues to work closely with Departmental Administration to review the progress of USDA agencies with scientific and laboratory equipment. A contract was awarded on March 24, 1999, to assess Year 2000 compliance of vulnerable systems. The contract is divided into two phases: Phase 1 is the assessment of Year 2000 compliance of Vulnerable systems. Surveys and interviews of key agencies will result in an Assessment Approach as the deliverable. Phase 2 is the implementation of the Approach. Details are outlined in section II(e) above.

- FNS meetings. The following state visits were conducted during the week of May 2, 1999: Alabama (WIC Program), Puerto Rico (Child Nutrition and WIC Programs), to provide technical advice, as needed.

j. **Describe efforts to ensure that Federally-supported, State-run programs (including those run by the Territories and the District of Columbia) will be able to provide services and benefits.**
In particular, Federal agencies should be sensitive to programs which will have a direct and immediate effect on individual's health, safety or well-being. Include a description of efforts to assess the impact of the Year 2000 problem and to assure that the program will operate. Provide the following information for those programs listed in Attachment D (if the information is not available, provide dates when it will be available.)

1. **The date when each State's systems supporting the program will be Year 2000-compliant.**

2. **A list of states, if any, for which the Year 2000 problem is likely to cause significant difficulties in the State's operation of the program. Provide a list of States which are not likely to encounter significant difficulties.**

3. **For those States likely to have significant difficulties, a brief description of any action which the Department is taking to ensure that the program will operate.**

USDA has four programs on the list of 42 "high-impact" Federal programs; Food and Nutrition's Food Stamp Program (FSP), Women, Infants and Children (WIC), Child Nutrition and Food Safety's Food Safety and Inspection Program.

The Food and Nutrition Service (FNS) has been working diligently to remediate the mission critical systems which support their nutrition programs. FNS has sixteen mission-critical systems; fifteen are fully compliant and will be compliant at the end of May.

FNS has performed Y2K testing on its communication links between the state systems and FNS's internal systems. Testing to this point has been successful and no problems have been encountered. FNS is continuing to test these interfaces between the agency, states and other partners. States must certify to FNS that they are Year 2000 compliant in three areas – software, hardware and telecommunications. Depending upon their status, states must certify in writing that they have a working contingency plan in place that will assure the delivery of benefits to FSP and WIC recipients.

FNS is working with its state partners and territories that actually deliver nutrition services to the public. Since June of 1997, USDA and other Departments have jointly established expedited approval procedures for state acquisition of automatic data processing equipment and services required to bring food stamp program administrative systems into Year 2000 compliance. It also allows states to use expedited procedures for contingency planning. This authority has been extended through July 2000. FNS believes that most states are accounting for Y2K correction activities as part of their on-going administrative operating and maintenance expenditures, and so are claiming administrative expenses as part of their regular programmatic federal administrative funding for Food Stamps, WIC and Child Nutrition Programs.

As of March, twenty-one states have reported that their food stamp systems are compliant in all respects; seven of those states have already sent letters to FNS certifying that they are Year 2000 compliant. Seventeen additional states have reported that they will be compliant between April and June. Eleven states have

reported that they will be compliant between July and September, and five states have reported that they will be compliant between October and December. All states are reporting that they will be compliant by December 31, 1999.

Y2K progress by state for the Food Stamp Program is found in Attachment 3.

Thirty-one states have reported that their WIC systems are Year 2000 compliant. FNS has received certification letters from fifteen of these states. Twelve additional states have reported that they will be compliant between April and June. Nine states have reported that they will be compliant between July and September. Two states have reported that they will be compliant between October and December. All states are reporting that their WIC systems will be Year 2000 compliant by December 31, 1999.

Y2K progress by state for the WIC Program is found in Attachment 3.

Thirty-four of the 67 state agencies that administer Child Nutrition Programs have reported that they are fully Y2K compliant. Most of the rest expect to achieve compliance in all areas by the end of the summer. FNS will continue to monitor those states that have not achieved and reported full compliance. FNS' regional offices are also working with state agencies to ascertain the viability of state contingency plans.

FNS awarded a contract on April 23, 1999 to provide Y2K technical support to the states. FNS is doing a follow-up of on site visits to selected states, with reviews prioritized based on the most recent state reported compliance dates.

The Food Safety and Inspection Service (FSIS) regulates a vital part of America's food supply—meat, poultry, and egg productions. Americans depend on FSIS to ensure that these products are safe, wholesome, and accurately labeled. Twenty-six states have programs which complement FSIS's public health program.

FSIS continues to provide information to individual plants, alerting them to their responsibilities to be ready for the Y2K transition. The agency is sharing its plans, processes, and experiences with the state directors who have inspection responsibilities, will determine the Y2K readiness of its state partners, as part of its readiness activities, and will work with States to ensure that their programs operate effectively.

FSIS has also prepared an overall Y2K Business Continuity (Contingency) Plan (BCCP) for its internal systems to ensure that food safety standards are maintained during the millennium transition. The plan contains specific contingencies for the resumption of operations in the event of systems failure.

USDA High-Impact Programs

In addition to the four programs identified by OMB as having high impact, there are four additional programmatic areas that the Department is tracking as high impact because of their economic, financial, and health and safety implications. These include:

- the farm loan and assistance programs and rural development programs;
- animal and plant health inspection programs
- the fire and aviation management program; and
- the federal employee payroll systems and thrift savings plan.

These programs are vital to the economic well-being or the health and safety of millions of Americans. They are especially critical to rural America. There are 52 mission-critical systems most of which support these programs. To date, 49 of them are compliant. The remaining three systems are scheduled to be compliant by June 1999.

Farm Loan and Assistance Programs and Rural Development Programs, along with programs to provide funds for rural business and infrastructure, are critical to our nation's farmers and producers, and the rural economy. These programs are core business functions that we cannot afford to have interrupted.

The Guaranteed Loan System (GLS) tracks loans made by private lenders, but guaranteed by the Government. This system has been a joint development effort by the Farm Service Agency and Rural Development and was developed to be Year 2000 compliant. Implementation of GLS was conducted in phases starting in May 1998. For servicing direct loans, the Program Loan Accounting System (PLAS) was renovated to be Year 2000 compliant and implemented during March 1999. A contractor-supported IV&V of the Program Loan Accounting System was initiated in March 1999. Crop Loss Disaster Assistance Program software that is Year 2000 compliant has also been developed.

The Farm Service Agency's Business Continuity Plan details who, how, when, and what is necessary to ensure mission operations in the event of a Year 2000 failure, including documentation of any manual processes. Testing of the FSA Business Resumption Contingency Plans is targeted for June 1999.

The Rural Development BCCP is also being refined to detail the manual processes that will be used in the event of a system failure. These processes will be tested in the third quarter of this year. Testing is also being planned with external entities.

USDA is also giving careful attention to the Y2K readiness of rural utility providers. In February 1998 the Rural Utilities Service (RUS) started surveying its telecommunications and electric borrowers to determine their level of Year 2000 preparedness. RUS field representatives are personally contacting all non-Y2K-compliant electric and telecommunications borrowers to determine their status and offer assistance. These utilities are also being monitored by the utilities industry and the Energy Working Group headed by the Department of Energy.

Animal and plant inspection programs are vital to ensuring the health and safety of our livestock, and plant life, which affects the health and safety of us all. Nineteen of the mission-critical systems that support these programs are already Year 2000 compliant. The remaining two systems are scheduled to be compliant by June 30.

The Animal Plant Health and Inspection Service is working closely with its state partners to test and certify electronic data exchanges for the National Agriculture Pest Information System (NAPIS). Thus far, twelve states have certified that they are compliant, and nine have undergone testing. The agency has also participated in Business Continuity and Contingency Planning meetings with the Canadian Food Inspection Agency and the Air Transport Association, which represents major airlines and airports across the country.

The Forest Service's Fire &Aviation Management System has health and safety, as well as financial effects. An IV&V on this system is in progress, and scheduled for completion in June. All data exchanges with external partners and cooperators have been identified and Y2K-compliant formats are being tested by the FS and external partners.

The Forest Service has developed its BCCP, and is selecting a contractor to support testing of the plan with emphasis on mitigation strategies. The national BCCP team will coordinate and facilitate the development of local tactical plans for BCCP testing, coordination and implementation by agency Business Resumption Teams (BRTs). Forest Service BRTs are being formed, at a minimum, for each regions and station, and for each business area represented by the agency Washington Office staffs. We anticipate that BRTs, facilitated and coordinated by the national BCCP team, will develop local tactical plans for testing, coordinating and implementing business continuity/contingency options for the BRT's area of responsibility.

The Federal Employee Payroll System, and the Thrift Savings Plan are managed by the National Finance Center (NFC) in New Orleans. The NFC processes payroll bi-weekly for 450,000 Federal employees and manages retirement savings for 2.3 million Federal employees.

All mission-critical programs at the NFC are compliant and have been validated on a separate mainframe running with system and internal dates into the year 2000. All Information Technology (IT) hardware and system software has been validated using

the same technique. All non-IT equipment as well as the facility have been certified Y2K compliant by internal or external IV&Vs and vendor certifications.

In addition, in case of a local power failure, the NFC has secured auxiliary diesel generators with enough capacity and fuel to power the entire facility for an extended period of time. A contingency plan is in place to also deal with any telecommunication or system failure that might occur. We are confident that any power outages can be effectively dealt with and that these programs can be delivered without interruption.

III.   Verification Efforts.

a.   Describe the process by which mission-critical systems are identified as Y2K-compliant for purposes of this report.

Systems identified as compliant in this report are certified by the Executive Sponsor in each agency. The certification is completed after the system has completed the validation and testing phases of Year 2000 remediation. The certificate of Year 2000 compliance is based on guidance and definitions of compliance from the General Accounting Office, which states that a compliant system accurately processes date/time data from, into and between the twentieth and twenty-first centuries, and the years 1999 and 2000, and leap year calculations. Agencies employ internal user tests, tests in simulated Year 2000 environments, and independent verifications and validation to validate that both replaced and repaired systems function properly.

b.   Describe how and to what extent internal performance reports, (i.e., compliance of systems repaired and replaced) are independently verified. Provide a brief description of activities to assure independent verification that systems are fixed and to assure that information reported is accurate. Identify who is providing verification services (for example, Inspectors General or contractors).

Agencies continue to test systems and conduct independent verification and validation reviews even after compliance has been certified. We believe that testing, particularly end-to-end testing and Time Machine testing at mainframe centers, is a prudent insurance policy against unexpected errors.

Agencies are employing the IV&V strategy on priority systems and other mission-critical systems to ensure that their Year 2000 remediation efforts have been successful. The reviews generally occur after the implementation phase and during the validation phase as an added level of assurance of Year 2000 compliance. Methods of independent verification and validation include setting up test and simulation laboratories using independent quality assurance staffs or contractor support.

USDA's IV&V activities for the rest of the calendar year will focus on assuring that high impact programs, and the departmental systems that support them, will operate uninterrupted before, during, and after the century date change. The Chief Information Officer has instituted a Department-wide Independent Verification and Validation (IV&V) program which mandates that at a minimum all Departmental Priority systems will be reviewed.

The Office of Inspector General (OIG) completed an audit of the Validation Phase of our Year 2000 Program on March 31. Based on our own internal policies and the report recommendations, OCIO now requires IV&V by independent third parties contractors for all 52 Departmental Priority systems. Several agencies have already begun IV&V of their mission-critical systems. The USDA Y2K Program Office will be responsible for the oversight and management of the IV&Vs of the remaining Departmental Priority systems.

For those systems that have not undergone an independent review, IV&Vs will be conducted in two initiatives:

- Initiative 1 is examining each system, analyzing documentation, such as: background information on the system or application, summary of previous assessments, remediation documents, test plan documents, test plan documents, test report documents, summary of test results, and sampling of test cases. Contractor support has been acquired for this phase.
- Initiative 2 is expected to begin by the end of May, and will involve tests of actual program code using agency data. Test results will be compared with both expected results and results of previously-conducted agency tests.

IV. Organizational Responsibilities.

a. Describe how your Department/Agency is organized to track progress in addressing the Year 2000 problem. (If you have provided this information in the past, only provide it again where it has changed.)

There are no organizational changes since the last quarterly report.

1. Describe the responsible organization(s) for addressing the Year 2000 problem within your Department/Agency and provide an organizational chart.

There are no organizational changes since the last quarterly report.

2. **Describe your Department/Agency's processes for assuring internal accountability of the responsible organizations. Indicate how frequently the agency head or Chief Operating Officer is briefed on Year 2000 progress. Include any quantitative measures used to track performance and other methods to determine whether the responsible organizations are performing according to plan. Include a discussion of the oversight mechanism(s) used to assure that <u>replacement</u> systems are on schedule.**

As previously reported, USDA revamped its internal reporting process to provide more accurate and timely management information. The Secretary and Sub-cabinet officials were provided weekly management updates of program information. To supplement this effort for updating and tracking progress, agencies utilized the established on-line web-based system to provide daily updates of management information.

The Year 2000 Program Office continuously tracks the progress of the agencies to assure compliance with established goals and milestones, and issues monthly reports detailing progress on the remediation of systems. The Executive IT Investment Review Board, which is chaired by the Deputy Secretary in his role as the Department's Chief Operating Officer, meets quarterly and is routinely briefed on the Department's Year 2000 progress.

3. **Describe the management actions taken and by whom when a responsible organization falls behind schedule.**

There are no changes in management mechanisms since the last quarterly report.

V. **Continuity of Business Plans.**
   Describe your agency's approach to, and progress in, developing its Business Continuity and Contingency Plan (BCCP.) Agencies should use the GAO document, <u>Year 2000 Computing Crisis: Business Continuity and Contingency Planning, (August 1998)</u> as a guide to such planning. Describe the measures of progress being used to assure that local plans are developed and tested, and provide a status of those measures. Please also include the following information in the description of your planning activity: (If you do not have the information requested, state when it will be available.)

   a. **Identify the high-level core business functions addressed in your BCCP.**

   USDA provided its table of high-level core business functions in the February report. The table is being revised and will be provided to OMB by its June 15 deadline.

   b. **Provide a master schedule and key milestones for development and testing of your BCCP.**

The Business Continuity Contingency Planning initiative is focusing on testing and the development of local contingency plans. The OCIO Y2K Program Office has developed supplemental guidance to the Business Continuity Contingency Planning Guide, dated October 1998, and addresses risks, mitigation strategies, and contingencies and triggers in more detail. This guidance is assisting the agencies in their reviews and maintenance of business continuity contingency plans.

Assessment meetings were held with the mission areas/agencies regarding their BCCPs to provide insight for improvement, and to ensure that plans meet the minimum acceptable level and are executable. As part of this assurance, the OCIO Y2K Program Office developed a BCCP Evaluation Checklist, based on GAO guidance, which can assist in validating an agency's BCCP. The checklist captures the key phases of the BCCP process.

As part of the BCCP tracking and monitoring process, all agencies must submit a revised BCCP and a copy of their checklist for OCIO review. OCIO has developed additional guidance for Local Contingency Planning and BCCP Rehearsal. A few agencies have developed their local contingency plans and are conducting testing. The BCCP Rehearsal Guidance provides assistance in preparing for testing and gives several examples of how to test. Because BCCP testing is important for the success of contingency planning, the OCIO will be conducting a half-day seminar for agencies on BCCP Rehearsal, also on "Day One" Strategy, and Coordination Center.

The USDA-wide test schedule has changed to January 1999 through September 30, 1999. All agency plans will be tested during this time frame. The OCIO and Emergency Operations Center (EOC) are working together to establish the USDA Y2K Coordination Center, which is expected to be implemented by June 30, 1999. OCIO and EOC are also preparing for Y2K BCCP testing. The schedule for these events is:

Desktop or Tabletop Testing	June 24, 1999
Simulation Testing	August 4, 1999

The Y2K Program Office will be involved in the planning phase of the scenario for these activities, all of which will be critiqued by FEMA.

The BCCP Monthly Meetings have been combined with the Y2K Executive Sponsors Meetings, which are held on the 4th Monday of each month. By combining these meetings, the Chief Information Officer has established a strategy to ensure better communication of activities, concerns, and progress as we move forward.

VI.   **Exception Report on Systems.**
       Provide a brief status of work on each mission-critical system not Year 2000-compliant which is either (1) being replaced and has fallen behind the agency's

internal schedule by two months or more, or (2) being repaired and has fallen behind the agency's milestones by two months or more.

a. If this is the first time this system is reported:

> **1.   Describe the system and provide an explanation of why the effort to fix or replace the system has fallen behind and what is being done to bring the effort back on schedule**.
>
> **2.   Provide the new schedule for replacement or completion of the remaining phases.**
>
> **3.   Provide a description of the funding and other resources being devoted to completing the replacement or fixing the system**.

The Animal and Plant Health Inspection Service (APHIS) reports two systems for this First Time Exception Report.

The Generic Database is currently under repair.   Field testing of the system has taken place and final debugging of the system is underway as a result of these tests. APHIS has issued a task order for 2 more months of contractor support to keep the project on schedule. The Agency is also contracting for the preparation of National level reports from the system and to web enable the system which will facilitate implementation and make the system accessible to key State cooperators. APHIS has assigned additional personnel to the project now that other mission critical systems have been certified as compliant. Work is also ongoing to provide user sites with the necessary wide-area network connectivity that will be needed to access and update the database. The following table shows key milestones for the project and the latest projections for when they will be completed.

	Assessment	Renovation	Validation	Implementation
New Milestones Dates	10/24/97	6/1/99	6/11/99	6/30/99

The APHIS Laboratory Information Management System is a replacement system. The basic components of the system support veterinary diagnostic, veterinary biologics, and program management/administration functions. The veterinary diagnostic component is now in place and custom reports/forms development is about 50 percent complete. Installation of the veterinary biologics component is underway.

With recent approval of the supplemental emergency funds, APHIS has brought on another contractor this week to develop the management/administration

components Additional APHIS personnel have also been assigned to the project as other mission critical projects have been completed. A key component needed to fully deploy the system is adequate telecommunications on Plum Island. The Agricultural Research Service has the lead on this and projects having the new capability in place by June 1, 1999. APHIS projects Y2K certification of LIMS by June 30, 1999.

    b. If this system has been previously reported and remains behind schedule:

        1.   Identify the systems and provide an explanation of why the system remains behind schedule and what actions are being taken to mitigate the situation.

        2.   Provide a summary of the contingency plan for performing the function supported by the system should the replacement or conversion effort not be completed on time. Indicate when the contingency plan would be triggered, and provide an assessment of the effect on agency operations should the system fail. If you do not yet have a contingency plan, indicate when it will be in place.

        There are no systems to report in this category.

VII.   **Systems scheduled for implementation after March 1999.**
        Please include a list of those mission-critical systems where repair *or* replacement cannot be implemented by the March 1999 deadline. For each item:

    a. Include the full title of the systems.
    b. Provide a brief description of what the system does.
    c. Provide the reason why the system cannot be implemented by the deadline.
    d. Provide a summary of the contingency plan for performing the function supported by the system should the replacement or conversion effort not be completed on time. Indicate when the contingency plan would be triggered, and provide an assessment of the effect on agency operations should the system fail, including anticipated problems. If you do not yet have a contingency plan, indicate when it will be in place.

    Contingency policy guidelines have been issued to all mission areas and agencies, and plans have been received. An overall USDA Contingency plan has been completed and is in its final review stage.

    Attachment 2 outlines triggers and assessments for systems scheduled for implementation after March 1999.

VIII. **Other Management Information.**

    a. **On the first row, report your estimates of costs associated with Year 2000 remediation, including both information technology costs as well as costs associated with non-IT systems. Report totals in millions of dollars. (For amounts under $10 million, report to tenths of a million.)**

Fiscal Year	1996	1997	1998	1999	2000	2001	Total
Current Cost	$2.5	$15.7	$61.5	$91.9	$10.2	$1.2	$183.0

    b. **If there have been dramatic changes in cost, please explain.**

Our current estimate of $183.0 million is $4.6 million higher than our previous estimate due to agency requirements for additional compliance testing and validation. The new cost estimate includes supplemental funding received.

USDA is committed to leveraging whatever resources it can to achieve compliance while minimizing waste. The Department has controls in place to manage the emergency supplemental funds. A specific accounting system for Year 2000 supplemental spending has been developed. USDA has acquired contractor support to manage and provide oversight of supplemental funds. Reports are provided to the Chief Information Officer weekly, or more frequently if needed.

The Office of the Chief Information Officer is working closely with the budget and finance offices to ensure accurate and timely reporting of the distribution and use of funds. Detailed spending plans with projected milestones have been requested from each agency and will be the basis for monitoring and oversight. To the extent possible, USDA will use existing departmental or government-wide contracts to procure services and equipment.

    c. **If there have been significant changes to your agency's schedule, changes in the number of mission-critical systems, changes to the number of systems behind schedule, please explain.**

There are no significant changes since the February 1999 report.

    d. **Are there any concerns with the availability of key personnel?**

There are no significant changes since the February 1999 report.

    e. **Are there any other problems affecting progress?**

There are no other problems to report.

IX.   Change Management.
It is important that your agency be aware of the affect / impact of change to remediated code as a result of agency changes or by regulated entities. In particular, you should ensure that (1) your agency does not impose any regulatory requirements that could affect the readiness of regulated entities or of your agency until after January 1, 2000. Please describe your change management process for changes in both regulations and information technology that could affect work on the Year 2000.

OCIO continues to enforce the information technology moratorium which only permits expenditures for Year 2000 or emergencies. OCIO has instituted an on going process to review all proposed and final rules and regulation for Year 2000 impact.

The Grain Inspection, Packers and Stockyards Agency has imposed a managed change moratorium as part of their "Pre-Event State"-Day One Strategy. Accordingly, GIPSA managers are prohibited from purchasing COTS, computer hardware, and laboratory equipment that contains embedded chips, from October 1, 1999, through March 31, 2000, without prior approval by the GIPSA Executive Sponsor.

At the National Information Technology Center (NITC), a limited moratorium on system software changes will be instituted in the fall of this year. Application of addition Program Temporary Fixes (PTFs) beyond the targeted maintenance upgrade will be evaluated on their individual merit and risk. This posture will permit the NITC to maintain a stable version of the system software for year 2000 transition yet not totally terminate additional system development which may be needed to resolve problem situations or to apply required enhancements. This will apply to all OS/390 mainframe productions environments maintained by the NITC.

Attachment 1   Crosswalk of Change in USDA Baseline Systems

Total Number of Mission-Critical Systems	Number Compliant	Number To Be Replaced	Number To Be Repaired	Number To Be Retired
February Report 353	267 76%	35 10%	44 12%	7 2%
May Report 349	334 95.7%	5 1.4%	5 1.4%	5 1.4%

CHANGES:

1.   Changes to Total Number of Mission-Critical Systems

The number of mission-critical systems decreased by 4 from the February 1999 report. 2 systems, one each from the Risk Management Agency and the Grain Inspection, Packers and Stockyards Administration, were retired.

The FSA/KC system, the Cotton Loan Management System (CLMS), was removed from those systems to be replaced.   The functionality of CLMS was added to the Cotton Online Processing System (COPS), which is being repaired to replace an additional FSA/KC system, the Cotton Inventory Management System (CIMS). COPS is scheduled to be implemented and CIMS replaced by July 31, 1999.

We determined that the Census of Agriculture, which is conducted once every 5 years, should not be counted as a current USDA mission-critical system. The next census will be mailed to respondents in December 2002, and systems for processing do not need to be ready until 2003.

2.   Changes to Y2K Strategy for Compliance.

No changes to report.

Attachment 2   Systems to be Implemented After March 1999

Name of System	Description of System	Deadline Reason	Mitigation Strategy	Contingency & Trigger
Financial Accounting & Reporting System (FARS) *(FAS)*	Internal funds control and reporting system.	Initial vendor estimates were based on misunderstanding between it and the agency financial staff. The vendor revised its estimate completion dates: first phase is now April 1, 1999, and the final phase is October 1, 1999.	Complete renovation and acceptance testing and implementation of the new FARS software by April 1999.	A detailed business resumption plan and procedures to track budget expenditures will be completed by September 1999. The failure date is October 1, 1999. If the implementation of the core functionality is at unacceptable risk at that time, the contingency plan will be triggered.
Cotton Online Processing System (COPS) *(FSA)*	Keeps track of cotton inventories, price support loans, maintains electronic receipts, keep track of benefits. Developed as Y2K-compliant system on USDA mainframe in Kansas City	Replacement strategy for five systems. Three systems have been renovated and are compliant. Completion scheduled for July 1999.	Complete renovations, integration and acceptance testing, and implementation of all Cotton Management Systems and supporting interfaces by July 1999.	A Year 2000 contingency plan for Cotton Management Systems was completed July 1998. FSA will closely monitor key activities and milestones identified in the COPS project plan. If the implementation of the core functionality is at unacceptable risk, the contingency plan will be implemented. The plan detail two possibilities for ensuring Year 2000 compliance.
Cotton Inventory Management System (CIMS) *(FSA)*	Mainframe management system. Being replaced by COPS (see above)			System due to be replaced by COPS by the end of July.
Regional Office Administrated Programs (ROAP) *(FNS)*	Multi-million dollar yearly operation which reimburses school funding authorities and sponsors who provide food service to children and adults	4 modules are in production 4 modules certified Y2K- compliant on March 9 1 module under development	Contractor is working on finalizing reports and interfaces. Final module scheduled to be completed by May 30, 1999.	
Generic Database *(APHIS)*	Data is used to analyze the spread and control of diseases.	The application is installed on Y2K-compliant file servers. Forms and reports were completed by March 31. Field testing took place during April. Final implementation expected by the end of June.		System is expected to be repaired and implemented by June 30, 1999
Laboratory Information Management System (LIMS) *(APHIS)*	This project acquires implements and supports a management system for laboratories in Iowa, Maryland and New York.	The basic system to support Veterinary Diagnostics is installed on a Y2K-compliant service in Ames. Iowa. Telecommunications facilities are expected to be implemented by the beginning of June, 1999.		System is expected to be implemented by June 30, 1999

Attachment 3 Federally Funded State Run Programs

Y2K PROGRESS FOR FOOD STAMPS,
WOMEN, INFANTS AND CHILDREN
AND CHILD NUTRITION
BY STATE
MAY 1999

Region	Food Stamp	Women, Infants And Children	Child Nutrition
NORTHEAST			
CT	C	C	6/30/99
ME	05/30/99	07/30/99	C
MA	07/31/99	C	5/31/99
NH	11/01/99	06/01/99	C
NY	C	C	8/31/99
RI	07/30/99	C	6/30/99
VT	06/30/99	C	6/30/99
MID-ATLANTIC			
DE	C	C	C
DC	05/01/99	C	Currently working with contractors to ensure Y2K compliance. No time frame given for completion. Developing a contingency plan.
MD	05/30/99	C	Currently working with contractors to ensure Y2K compliance.
NJ	C	C	10/31/99
PA	C	09/30/99	C
VA	C	C	6/30/99
WV	C	06/30/99	6/30/99
VI	06/01/99	C	Date Unknown
PR	07/16/99	05/01/99	C
SOUTHEAST			
AL	06/30/99	09/30/99	09/30/99
FL	C	C	C
GA	10/31/99	12/30/99	C
KY	04/30/99	C	6/30/99
MS	06/30/99	C	C
NC	12/31/99	09/01/99	6/30/99
SC	07/31/99	C	7/31/99
TN	C	C	7/31/99

Region	Food Stamp	Women, Infants And Children	Child Nutrition
MIDWEST			
IL	08/01/99	04/30/99	C
IN	06/30/99	06/01/99	8/31/99
MI	04/30/99	C	6/30/99
MN	06/30/99	C	C
OH	10/01/99	06/30/99	C
WI	06/30/99	C	7/31/99
SOUTHWEST			
AR	06/30/99	C	7/31/99
LA	06/30/99	07/01/99	12/31/99
NM	C	C	5/31/99
OK	11/01/99	11//30/99	5/31/99
TX	08/31/99	06/01/99	7/31/99
MOUNTAIN PLAINS			
CO	C	C	C
IA	C	06/30/99	C
KS	06/30/99	C	C
MO	09/01/99	09/30/99	Conversion not needed for hardware, date not given for telecom.
MT	04/15/99	C	C
NE	C	06/30/99	C
ND	07/01/99	09/01/99	C
SD	C	07/31/99	Date unknown
UT	07/01/99	06/30/99	10/31/99
WY	06/01/99	C	6/30/99
WESTERN			
AK	C	C	C
AZ	C	05/31/99	C
CA	07/31/99	C	C
HI	C	C	C
ID	C	07/01/99	C
NV	C	C	C
OR	C	C	8/31/99
WA	C	C	6/30/99
GU	09/01/99	04/31/99	C

C = Indicates Year 2000 Compliant